



## Impact of Export Restriction of Rice

**For Prelims:** Impact of Export Restriction of Rice, [Monsoon](#), [Kharif](#) and Rabi Crops, [Food Security](#), Basmati and Non-basmati rice.

**For Mains:** Impact of Export Restriction of Rice, Major crops cropping patterns in various parts of the country, Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

[Source: IE](#)

### Why in News?

In July 2023, India banned the export of non-basmati white rice amid depleting public stock in the Central pool, elevated cereal prices, and the looming threat of the uneven [Monsoon](#), which **has impacted prices globally and domestically**.

### Why did India Pose Restrictions on the Export of Rice?

- **Domestic Food Security:**
  - Restricting rice exports helps maintain **sufficient stocks in the country, especially in the Central pool**, to meet the [Food Security](#) needs of India's large population.
  - According to the first advance estimates for the production of major [Kharif Crops](#) in the 2023-24 season by the Ministry of Agriculture and Farmers Welfare, Rice production is estimated to be **3.7% lower than the previous year**.
- **Rising Domestic Prices:**
  - The government imposed export restrictions to control the surge in domestic rice prices. When there is a shortage of rice in the domestic market, prices tend to rise, and **restrictions can help stabilize prices** and protect consumers from inflation.
- **Uncertainty Related to Monsoons:**
  - India heavily relies on the [monsoon](#) season for agricultural production. Unpredictable or uneven monsoons can affect crop yields.
  - Export restrictions were presumed **as a precautionary measure** to conserve rice stocks in case of a poor monsoon season.

### What is the Impact of Export Restriction of Non-Basmati Rice?

- **Global Rice Price Fluctuations:**
  - India's rice restrictions have made an impact on supply, availability and prices in domestic as **well as global markets over the months**.
  - After India imposed the ban on the export of non-basmati white rice, there was an **immediate and substantial increase in global rice prices**.
  - While prices have **slightly moderated in the following months**, they still remain elevated compared to the pre-ban period.
- **Domestic Price Escalation:**

- Despite the export ban, domestic rice prices in India have continued to surge.
- The average wholesale price of rice per quintal, as of October 2023, was significantly higher compared to previous periods, marking a 27.43% increase over the past month.
- Retail prices have increased compared to 2022, with the **average price of rice per kilogram being 12.59%** higher in October 2023 than a year ago and 11.72% higher than when export regulations were implemented by the government.
- **Overall Economic Impact:**
  - The restrictions on rice exports have had far-reaching economic consequences, affecting both domestic and international markets.
  - These consequences include price fluctuations, disruptions in global trade, and implications for **food security in importing countries.**

## What are the Key Facts About Rice?

- Rice is a **staple food for most** of the population in India.
- It is a **kharif crop** which requires high temperature (above 25°C) and high humidity with annual rainfall above 100 cm.
  - In the areas of less rainfall, it is grown with the help of irrigation.
- In southern states and West Bengal, the climatic conditions allow the cultivation of two or three crops of rice in an agricultural year.
  - In West Bengal farmers grow three crops of **rice called 'aus', 'aman' and 'boro'.**
- About one-fourth of the total cropped area in India is under rice cultivation.
  - **Leading Producer States:** West Bengal, Uttar Pradesh, and Punjab.
  - **High Yielding States:** Punjab, Tamil Nadu, Haryana, Andhra Pradesh, Telangana, West Bengal and Kerala.
- India is **the second-largest producer of rice after China.**

## How Does India Export Rice?

- India is the biggest exporter of rice in the world. As per the United States Department of Agriculture (USDA), India accounted for about 40% of the total rice exports (56 million tonnes) in the world during 2022.
- India's rice exports are broadly categorised into **Basmati and Non-basmati rice.**
  - **Basmati Rice:** In 2022-23, India exported 45.61 lakh metric tonnes of basmati rice.
    - Top destinations for Indian basmati rice included **Iran, Saudi Arabia, Iraq, UAE, and Yemen.**
  - **Non-Basmati Rice:** In the 2022-23 fiscal year, India exported 177.91 lakh metric tonnes of non-basmati rice.
    - The non-basmati rice includes varieties like Sona Masuri and Jeera rice.
- **Top Destination of Non-basmati White Rice:** Benin, Madagascar, Kenya, Cote D' Ivoire, Mozambique, Vietnam.
  - The non-basmati rice category includes **6 sub-categories**— rice in husk of seed quality; other rice in husk; husked (brown) rice; rice parboiled; non-basmati white rice; and broken rice.

## UPSC Civil Services Examination Previous Year Question (PYQ)

### Prelims

**Q 1. Among the following, which one is the largest exporter of rice in the world in the last five years? (2019)**

- (a) China
- (b) India
- (c) Myanmar
- (d) Vietnam

**Ans: (b)**

**Q 2. According to India's National Policy on Biofuels, which of the following can be used as raw materials for the production of biofuels? (2020)**

1. Cassava
2. Damaged wheat grains
3. Groundnut seeds
4. Horse gram
5. Rotten potatoes
6. Sugar beet

**Select the correct answer using the code given below:**

**(a)** 1, 2, 5 and 6 only

**(b)** 1, 3, 4 and 6 only

**(c)** 2, 3, 4 and 5 only

**(d)** 1, 2, 3, 4, 5 and 6

**Ans: (a)**

**Exp:**

- The National Policy on Biofuels, 2018, allows production of ethanol from damaged food grains like wheat, broken rice, etc., which are unfit for human consumption.
- The Policy also allows conversion of surplus quantities of food grains to ethanol, based on the approval of the National Biofuel Coordination Committee.
- The Policy expands the scope of raw material for ethanol production by allowing use of sugarcane juice, sugar containing materials like sugar beet, sweet sorghum, starch containing materials like corn, cassava, damaged food grains like wheat, broken rice, rotten potatoes, unfit for human consumption for ethanol production. Hence, 1, 2, 5 and 6 are correct. Therefore, option (a) is the correct answer

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